
Overview

Proposed Fiscal Year 1998 Program Activities and Cost Estimate

The CALFED Bay-Delta Program has prepared estimates of activities and costs to begin early implementation of the Program. This paper provides an overview of the proposed FY 1998 Program and serves as an introduction to the attached cost matrix.

Introduction

The CALFED Bay-Delta Program is developing a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system. This program is critical to the future of California because the Bay-Delta system is the largest estuary on the West Coast, providing habitat for 120 fish and wildlife species including many listed as threatened or endangered. The Bay-Delta system is also critical to California's economy, providing drinking water for two-thirds of Californians and irrigation water for 200 crops, including 45 percent of the nation's produce.

The CALFED Bay-Delta Program is preparing a Programmatic EIR/EIS and is scheduled to select a preferred alternative in September 1998. This preferred alternative must address Bay-Delta problems in ecosystem quality, water quality, levee system vulnerability, and water supply reliability. The solution to these problems will require a massive program costing billions of dollars with implementation extending over several decades. It will require funding from State, Federal, and stakeholder sources and close coordination with other ongoing programs.

Proposed FY 98 Program

The Program is currently evaluating three potential alternatives. Estimated capital costs generally fall in the \$4 billion to \$8 billion range and implementation of the preferred alternative may take 20 to 30 years. Given this length of time, it is important to begin implementation as soon as practical. Taking action now on ready projects lessens the time frame for implementation and early results will build support and commitment for implementing the full alternative.

Each of these alternatives includes an array of specific actions which will provide a comprehensive solution to the Bay-Delta issues of ecosystem quality, water quality, levee system vulnerability, and water supply reliability. The differences between the alternatives lie mainly in the method of transporting water through and around the Delta, and the amount of additional storage which would complete each alternative.

While the details of the preferred alternative will not be finalized for several years, the proposed FY 98 program concentrates on activities that will be beneficial to the long-term program regardless of which alternative is ultimately chosen. The FY 98 program includes only activities

that are included in each of the three alternatives and also provide early implementation benefits. This implementation will also provide valuable information for use in adaptively managing the system in later years of the program.

The attached cost matrix includes potential funding levels and potential funding agencies which are based solely on CALFED staff's judgement. The cost matrix is followed by more detailed text descriptions of the proposed activities.

The cost matrix and supporting text include activities listed specifically for ecosystem quality, water quality, levee system vulnerability, and water supply reliability. However, many of the activities will produce multiple benefits across these four areas. The costs were developed for specific actions but more detailed studies in later phases of the Program may shift money between actions with similar results. For instance, these studies may indicate that the Program's water quality objectives can be met more effectively by adjusting the balance between land conversion for water quality improvement and levels of wetlands treatment.

Actions common to all three alternatives ready to be implemented in FY 98

Many of the actions included in the alternatives are common to all three and could be implemented now as part of existing authorities if funding were available. Therefore, even before the programmatic environmental documentation is completed, CALFED has the opportunity to begin work on a set of projects identified as needed for system recovery. Because these actions are included in all three of the Program alternatives, they can be implemented prior to completion of the programmatic environmental documentation and would not impact the selection of a final preferred alternative.

These are projects and programs, especially related to water quality and ecosystem restoration, on which there is broad support. Many of these center around ecosystem restoration, such as habitat improvements for many specific species of concern, wetland restoration efforts throughout the system, and watershed restoration efforts in upstream areas throughout the Sacramento and San Joaquin river systems.

Process for Approving Early Implementation Projects

Program level actions have been identified (such as restoration of 10,000 to 20,000 acres of seasonal wetlands habitat in the Delta). The process to identify specific projects will include both agencies and stakeholders. The key groups involved in project decision-making processes include 1) the staff of the CALFED agencies, 2) the Ecosystem Roundtable, and 3) the CALFED Management Team.

Each year, a CALFED agency team will develop a draft set of early implementation projects and programs to be considered for funding. A list of projects recommended for funding will go to the Ecosystem Roundtable for review and discussion. The Ecosystem Roundtable was appointed to provide stakeholder input into the process of priority setting and project selection. Its mission is to provide advice on development of an annual integrated planning process for restoration project

selection and on integration and coordination with existing state and federal restoration programs to increase overall restoration effectiveness. The Roundtable will review an annual work plan to be approved by the CALFED Management Team.

Coordination with Other Ongoing Programs

It is important to view the proposed budget estimate in context of existing programs which complement the projects and work supported by the Program's budget. For example, work under the auspices of the *Central Valley Project Improvement Act's (CVPIA)* Restoration Fund and the Energy and Water Development appropriations will be in tandem with the ecosystem restoration funds spent through the Program--addressing some of the same needs (such as fish screen improvements and habitat acquisition) as well as other complementary programs (such as supplemental water acquisitions). These Programs will not be in competition with each other; rather, through the work of the Ecosystem Roundtable, they will be coordinated to support the same overall ecosystem goals and fund complementary projects and programs (consistent with the specific mitigation and restoration objectives and authorities set forth in the CVPIA).

Coordination of State, Federal, and Stakeholder Funding

The attached matrix includes program implementation activities and cost estimates proposed for FY 98. Funding for these early implementation actions will come from several sources. It is anticipated that State, Federal, and stakeholder funding will be required to complete this implementation. While the precise allocation of funding is yet to be defined, some funding mechanisms have been identified.

Stakeholder funding has totaled almost \$22 million to date and \$10 million or more in additional funding is expected in 1997. State funding from Proposition 204 (*passed by voters on November 5, 1996*) includes \$60 million for Category III, \$93 million as cost share for the Central Valley Improvement Act, \$390 million available for habitat restoration once the preferred alternative is selected and a formal state/federal cost share agreement has been implemented, and additional funding for watershed management, water quality improvements, and levee improvements. Federal funding authorized through the California Bay-Delta Environmental Enhancement and Water Security Act (HR4126) is designed to match state funding through Proposition 204 and stakeholder funding.